

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Mark Acton, Vice Chairman;  
Nanci E. Langley; and  
Robert G. Taub

Lincoln Post Office  
Lincoln, Iowa

Docket No. A2011-62

ORDER AFFIRMING DETERMINATION

(Issued December 22, 2011)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”<sup>1</sup> The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2011 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* Lastly, the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

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<sup>1</sup> United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011 (Notice).

The Postal Service's Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service's request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On September 6, 2011, the citizens of Lincoln, Iowa (Petitioners) filed a petition with the Commission seeking review of the Postal Service's Final Determination to close the Lincoln, Iowa post office (Lincoln post office).<sup>2</sup> The Final Determination to close the Lincoln post office is affirmed.

## II. PROCEDURAL HISTORY

On September 9, 2011, the Commission established Docket No. A2011-62 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.<sup>3</sup>

On September 21, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>4</sup> The Postal Service also filed comments requesting that the Commission affirm its Final Determination.<sup>5</sup>

On November 15, 2011, the Public Representative filed a reply brief.<sup>6</sup>

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<sup>2</sup> Petition for Review received from the citizens of Lincoln, Iowa regarding the Lincoln, Iowa Post Office 50652, September 6, 2011 (Petition). The Petition includes 88 signatures.

<sup>3</sup> Order No. 845, Notice and Order Accepting Appeal and Establishing Procedural Schedule, September 9, 2011.

<sup>4</sup> The Administrative Record is attached to the United States Postal Service Notice of Filing, September 21, 2011; see United States Postal Service Notice of Filing, September 21, 2011 (Administrative Record); see also United States Postal Service Notice of Filing of Addendum, December 20, 2011. The Administrative Record includes the Final Determination to Close the Lincoln, Iowa Post Office and Extend Service by Rural Route Service (Final Determination). The Final Determination is not listed as an item in the Administrative Record, but appears on pdf pages 81-86.

<sup>5</sup> United States Postal Service Comments Regarding Appeal, October 31 2011 (Postal Service Comments).

<sup>6</sup> Reply Brief of the Public Representative, November 15, 2011 (Public Representative Reply Brief).

### III. BACKGROUND

The Lincoln post office provides retail postal services and service to 74 post office box customers. Final Determination at 2. No delivery customers are served through this office. *Id.* The Lincoln post office, an EAS-55 level facility, has retail access hours of 8:00 a.m. to 11:30 a.m. and 1:15 p.m. to 4:15 p.m., Monday through Friday, and 8:00 a.m. to 10:00 a.m. on Saturday. *Id.* Lobby access hours were 8:00 a.m. to 4:30 p.m. Monday through Friday, and 8:00 a.m. to 4:00 p.m. *Id.*

The postmaster position became vacant on January 12, 2002, when the Lincoln postmaster was promoted. *Id.* An officer-in-charge (OIC) was installed to operate the office. *Id.* Retail transactions average 22 transactions daily (29 minutes of retail workload). *Id.* Office receipts for the last three years were \$14,085 in FY 2008; \$14,020 in FY 2009; and \$13,807 in FY 2010. *Id.* There are no permit or postage meter customers. *Id.* By closing this office, the Postal Service anticipates savings of \$29,320 annually. *Id.* at 6.

After the closure, retail services will be provided by the Gladbrook post office located approximately seven miles away.<sup>7</sup> Delivery service will be provided by rural route service through the Gladbrook post office. *Id.* Service will be provided by cluster box units (CBUs). *Id.* The Gladbrook post office is an EAS-16 level office, with retail hours of 9:15 a.m. to 11:30 a.m. and 12:30 to 4:00 p.m., Monday through Friday, and 9:15 a.m. to 10:00 a.m. on Saturday. *Id.* Sixty post office boxes are available. Final Determination at 2. The Postal Service will continue to use the Lincoln name and ZIP Code. *Id.* at 5, Concern No. 1.

### IV. PARTICIPANT PLEADINGS

*Petitioners.* Petitioners oppose the closure of the Lincoln post office. Petitioners object to the way in which the Postal Service determines which post offices to close.

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<sup>7</sup> *Id.* at 6. MapQuest estimates the driving distance between the Lincoln and Gladbrook post offices to be approximately 6.8 miles (13 minutes driving time).

Petition at 1. They state that basing the decision on whether a post office has a postmaster instead of whether a post office is self-sustaining is unfair to postal customers. *Id.* Petitioners contend that, if the Lincoln post office is closed, they will no longer continue to receive a maximum degree of effective and regular postal services. *Id.* Petitioners say the decision to close raises questions about the sanctity of the mail and risks in the handling of mail by non-career employees. They foresee inconveniences in purchasing services and receiving accountable mail. *Id.*

*Postal Service.* The Postal Service argues that the Commission should affirm its determination to close the Lincoln post office. Postal Service Comments at 2. The Postal Service believes the appeal raises two main issues: (1) disagreement with the Postal Service's criteria for deciding whether or not to close a post office, and (2) the adequacy of the alternatives for providing postal services. *Id.* at 1. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the Lincoln post office should be affirmed. *Id.* at 6.

The Postal Service explains that its decision to close the Lincoln post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low office revenue;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service); and
- the need for more operational efficiency.

*Id.* at 3. The Postal Service contends that it will continue to provide regular and effective postal services to the Lincoln community when the Final Determination is implemented. *Id.* at 3-4.

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioners regarding the effect on postal services, effect on the Lincoln community, economic savings, and effect on postal employees. *Id.* at 6.

*Public Representative.* The Public Representative contends that the Postal Service appears to have met the required procedural steps in reaching its Final Determination. Public Representative Reply Brief at 4. He states that the Postal Service considered the closing's effect on the Lincoln community, and on the employees of the Lincoln post office. *Id.* at 5. The Public Representative states that the Postal Service has arranged for Lincoln customers to continue to receive effective and regular postal services, but notes that a sufficient number of post office boxes may not be available at the Gladbrook office. He suggests the Postal Service take steps to ensure the potential post office box shortage is not a problem. *Id.* at 6.

The Public Representative states that the Postal Service has considered the economic savings due to the closing, but questions whether the Postal Service will realize the full amount estimated. *Id.* at 6-7. He believes the Postal Service has responded to concerns raised by customers. *Id.* at 7. The Public Representative concludes that no persuasive argument has been presented that would prevent the Commission from affirming the Postal Service's determination to close the Lincoln post office. *Id.* at 7.

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the

Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The record indicates the Postal Service took the following steps in reaching its Final Determination. On April 4, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Lincoln post office. Final Determination at 2. A total of 74 questionnaires were distributed and 44 were returned. *Id.* On April 19, 2011, the Postal Service held a community meeting at the Lincoln Amvet Home to address customer concerns. *Id.* Twenty-seven customers attended. *Id.*

The Postal Service posted the proposal to close the Lincoln post office with an invitation for comments at the Lincoln and Gladbrook post offices from May 6, 2011 through July 7, 2011. *Id.* The Final Determination was posted at the same two post offices from August 15, 2011 through September 16, 2011. *Id.* at 1.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service

will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

*Effect on the community.* Lincoln, Iowa is an unincorporated community located in Tama County, Iowa. Administrative Record, Item No. 16. The community is administered politically by a mayor and council. *Id.* Police protection is provided by the Tama County Sheriff. *Id.* Fire protection is provided by Lincoln Fire Department. *Id.* The community is comprised of a combination of those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. *See generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Lincoln community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Lincoln post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 2-4.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

*Effect on employees.* The Postal Service states that the Lincoln postmaster was promoted on January 12, 2002, and that an OIC has operated the Lincoln post office since then. *Id.* at 2. It asserts that after the Final Determination is implemented, the temporary OIC will either be reassigned or separated and that no other Postal Service employee will be adversely affected. *Id.*

The Commission finds that the Postal Service has considered the possible effects of the post office closing on the OIC when it stated that the OIC may be reassigned or separated. The Postal Service has satisfied its obligation to consider the effect of the closing on employees at the Lincoln post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

*Effective and regular service.* The Postal Service contends that it has considered the effect the closing will have on postal services provided to Lincoln customers. Postal Service Comments at 5. It asserts that customers of the closed Lincoln post office may obtain retail services at the Gladbrook post office located seven miles away. Final Determination at 2. Delivery service will be provided by rural carrier through the Gladbrook post office. *Id.* The 74 post office box customers may obtain post office box service at the Gladbrook post office, which has 60 boxes available. *Id.*

For customers choosing not to travel to the Gladbrook post office, the Postal Service explains that retail services will be available from the carrier. *Id.* The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.*

The Public Representative contends that there is limited availability of post office boxes at the Gladbrook office. Public Representative Reply Brief at 5-6. There are 74 post office box customers in Lincoln and 60 available post office boxes in Gladbrook. Final Determination at 2. The Public Representative suggests that the Postal Service take steps to ensure that the potential shortage of post office boxes at the Gladbrook post office is not a problem. Public Representative Reply Brief at 6. The Commission agrees that the Postal Service should ensure an adequate number of post office boxes will be available at the Gladbrook post office to meet demand.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by § 404(d)(2)(A)(iii).

*Economic savings.* The Postal Service estimates total annual savings of \$29,320. Final Determination at 5. It derives this figure by summing the following costs: postmaster salary and benefits (\$30,740) and annual lease costs (\$6,600) minus the cost of replacement service (\$8,020). *Id.*

The Public Representative questions whether the Postal Service will realize the full estimated savings amount. Public Representative Reply Brief at 6-7. The Lincoln post office is being run by an OIC who earns a lower salary than a postmaster. *Id.*



Furthermore, the Postal Service does not specify whether the OIC will be reassigned or separated, which also influences the potential cost savings. *Id.*

The Commission has previously stated that the Postal Service should not compute savings based on compensation costs unless there is a reasonable assurance that closing will actually eliminate those costs.<sup>8</sup> That standard does not appear to have been adhered to in this instance. The Lincoln post office postmaster was promoted January 12, 2002. Final Determination at 6. The office has since been staffed by a non-career OIC who, upon discontinuance of the office, may be separated from the Postal Service. On paper, the postmaster position and the corresponding salary will be eliminated. As noted, the Lincoln post office has been staffed by an OIC for 10 years. However, even assuming the use of the presumably lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

## VI. CONCLUSION

The Postal Service has adequately considered all requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Lincoln post office is affirmed.

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<sup>8</sup> See, e.g., Docket No. A2011-16, Order No. 843, Order Affirming Determination, September 8, 2011; Docket No. A2011-18, Order No. 865, Order Affirming Determination, September 20, 2011; Docket No. A2011-19, Order No. 912, Order Affirming Determination, October 20, 2011; Docket No. N2009-1, Advisory Opinion Concerning the Process for Evaluating Closing Stations and Branches, March 10, 2010.

*It is ordered:*

The Postal Service's determination to close the Lincoln, Iowa post office is affirmed.

By the Commission.

Shoshana M. Grove  
Secretary

## DISSENTING OPINION OF CHAIRMAN GOLDWAY

I dissent.

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

It is not the statutory responsibility of the Postal Regulatory Commission to correct the record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data was in the record. Therefore, it is appropriate to remand the decision to close to the Postal Service to correct the record and present a more considered evaluation of potential savings. In the case of the Lincoln, Iowa Post Office, where an OIC has been in charge for more than ten years, it seems particularly egregious to present the much higher wages of a postmaster as the expected savings.

Further it is undisputed that there will be fewer post boxes available at the receiving post office, thus raising the question of whether adequate and comparable service will be available to the citizens of Lincoln.

Finally, the Postal Service recently announced a moratorium on post office closings.

It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process but had not yet received a discontinuance notice by December 12, 2011, have the respite of a five-month moratorium.

The citizens of Lincoln, Iowa and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium. A remand would provide these citizens with the benefit of the more comprehensive consideration now given to the post offices under the moratorium.

Ruth Y. Goldway

### DISSENTING OPINION OF COMMISSIONER LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility since January 2002, not an EAS-55 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis.

As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

I find that the Postal Service's decision to discontinue operations at the Lincoln post office is unsupported by evidence on the record and thus, should be remanded.

Nanci E. Langley